

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

The state currently funds a before and after school program for pupils in public elementary, middle, and junior high schools. The program (officially known as the Before and After School Learning and Safe Neighborhoods Partnership Program) provides competitive grants for schools to offer educational enrichment and either tutoring or homework assistance before and/or after “regular” school hours. The program requires a local match and gives priority to serving pupils from schools with at least 50 percent of pupils eligible for federally subsidized meals. Under existing law, *after* school grants generally do not exceed \$75,000 for elementary schools and \$100,000 for middle and junior high schools for each regular school year, and *before* school grants generally do not exceed \$25,000 for elementary schools and \$33,000 for middle and junior high schools. However, large schools can receive higher grant amounts. Participating schools are also eligible to receive a supplemental grant to operate a program during summer or other vacation periods. The state spent \$95.3 million for the program in 2001–02.

Similar to the state’s program, the federal government also provides academic and recreational activities before and after regular school hours to students at many sites in California. The state will receive \$41.5 million in federal funds in 2002–03 to administer and provide new grants to local education agencies and community-based organizations for these activities.

Resources Available for Similar Services. In addition to the above before and after school programs, the state and federal governments provide potential sources of funds for before and after school services.

- The state provides a total of \$475 million annually for supplemental instruction outside the regular classroom (before or after school, summer, or other vacation periods) in order to improve the academic skills of pupils in various subjects.
- Both the state and federal government provide a combined \$215 million annually for numerous programs that can provide before and after school services such as: (1) after school child care, (2) college outreach programs, (3) mentor programs, and (4) crime prevention activities.

Before and after school programs are also offered to students in local communities through many private organizations, religious institutions, and local parks and recreation centers. Many students also participate in extracurricular activities, including school sports, after regular school hours.

PROPOSAL

This proposition makes various funding changes to the state’s Before and After School Learning and Safe Neighborhoods Partnership Program. The measure also renames the program to the After School Education and Safety Program (funds would still be available for before school programs) and makes other technical programmatic changes.

Funding Provisions

The measure’s funding changes are summarized below.

Increased Before and After School Funding. Under Proposition 98, approved by the voters in 1988, the State Constitution requires appropriation of a minimum annual amount for public schools and community colleges (K–14 education) from the state General Fund and local property tax revenues. Generally, this annual amount is based on prior-year spending adjusted for growth in the number of students attending public schools and growth in the state’s economy.

Beginning in 2004–05, this measure requires a specific spending level each year for the renamed After School Education and Safety Program. The annual amount would be up to \$550 million, and would depend on the growth in General Fund spending outside of Proposition 98. The measure specifies that funding for the program would be “continuously appropriated” (that is, appropriated automatically each year without further legislative action) and that the statutes authorizing the continuous appropriation may not be amended by the Legislature.

New Funding Priorities Within Before and After School Program. Beginning in fiscal year 2004–05, the measure establishes new funding priorities. First, schools that received a state before or after school grant in 2003–04 would continue to receive an equivalent grant amount in 2004–05

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and each subsequent year. The second priority under the measure is to make every elementary, middle, and junior high school eligible to receive a new After School Education and Safety Universal Grant to operate after school programs during the regular school year. However, if available funding were insufficient to provide after school funding to all schools, priority for the new grants would be consistent with current law, targeting schools with at least 50 percent of its pupils eligible for federally subsidized meals. If the first and second priorities are fully funded, any additional funds would be distributed for both before and after school programs based on current priorities and funding rules. The measure allows schools receiving a grant under the first two priorities to apply for these additional funds.

Funding Rules for New After School Universal Grants. Under this measure, schools awarded a universal after school grant would be reimbursed up to \$5 per participating pupil per day. This funding rate is the same as the after school component of the current state program. However, the measure caps the new universal grants at lower amounts—\$50,000 for elementary schools and \$75,000 for middle and junior high schools—for each regular school year. In addition, these grant amounts would not be adjusted upward for large schools. As with existing law, schools receiving a grant would need \$1 in local matching funds for each \$2 of universal grant funds.

Funds for Training, Evaluation, and State Administration. Beginning in 2004–05, this measure allows the State Department of Education (SDE) to spend up to 1.5 percent of the funds for the After School Education and Safety Program on program evaluations and training, and support for program implementation and development. The department may also use program funds to cover the costs of awarding and monitoring program grants.

Program Provisions

With regard to programmatic changes, the proposition:

- Provides flexibility to conduct before and after school programs away from school sites, but requires that offsite locations be approved by SDE.
- Adds computer training as an additional subject area for permissible tutoring or homework assistance and adds fine arts and physical fitness activities as types of permissible activities for educational enrichment.

- Requires local law enforcement agencies to be included in the planning process of every program.
- Directs SDE to annually notify all schools of the availability of before and after school grants.

FISCAL EFFECTS

Impact on Before and After School Spending. Based on the measure's funding formula and our projections of future state spending, we estimate that the maximum amount required by the proposition—\$550 million—would be available in 2004–05 for the After School Education and Safety Program. (The Legislature could appropriate additional funds above this amount at its discretion.) This is about \$455 million above the program's funding level in 2001–02. (The actual level of future funding for this program absent this measure would depend on future legislative action.)

Impact on Overall State Spending. While the measure would increase spending on before and after school programs, its overall impact on state spending would range from no additional cost to \$455 million beginning in 2004–05. The actual impact would depend on future legislative actions, as follows:

- **Allocate Funds Within Proposition 98 Minimum Guarantee.** If the Legislature were to increase funding for the After School Education and Safety Program in 2003–04 (the year prior to the effective date of the measure's funding requirements), the additional funding could come from available funds allocated *within* the Proposition 98 minimum funding guarantee. (Since the guarantee generally grows faster than enrollment growth and increases in cost of living, additional funding could be provided for this program without affecting existing programs.) By providing some or all of the required program expansion in 2003–04, the state could reduce—or even eliminate—additional costs in 2004–05 and each subsequent year. Under this scenario, additional funds would be awarded to schools in 2003–04 based on priorities and funding rules set by the Legislature.
- **Allocate Funds Above Proposition 98 Minimum Guarantee.** If, on the other hand, additional funds were provided to the program in 2004–05 (the first year of the measure's funding requirements), these funds would be *on top of* the state's minimum funding requirement for

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Proposition 98 for that year. In effect, this would cause the state to “over-appropriate” Proposition 98’s minimum requirement. This would result in a permanent increase in the annual level of state appropriations for K–14 education and make less money available for other General Fund supported programs. The additional funds provided to the program in 2004–05—which could be as much as \$455 million—would be awarded to schools

based on the funding priorities established by this proposition. These additional funds would first be used to provide schools with a universal after school grant.

Administrative Costs. We estimate that the amount of funds needed from the \$550 million appropriation for SDE to provide technical assistance, evaluation, and state administration would total in the low millions of dollars annually.